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NATIONAL INTELLIGENCE DAILY CABLE

Thursday June 10, 1976 CI NIDC 76-136C

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[redacted]

NATIONAL SECURITY INFORMATION
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DIA review(s) completed.

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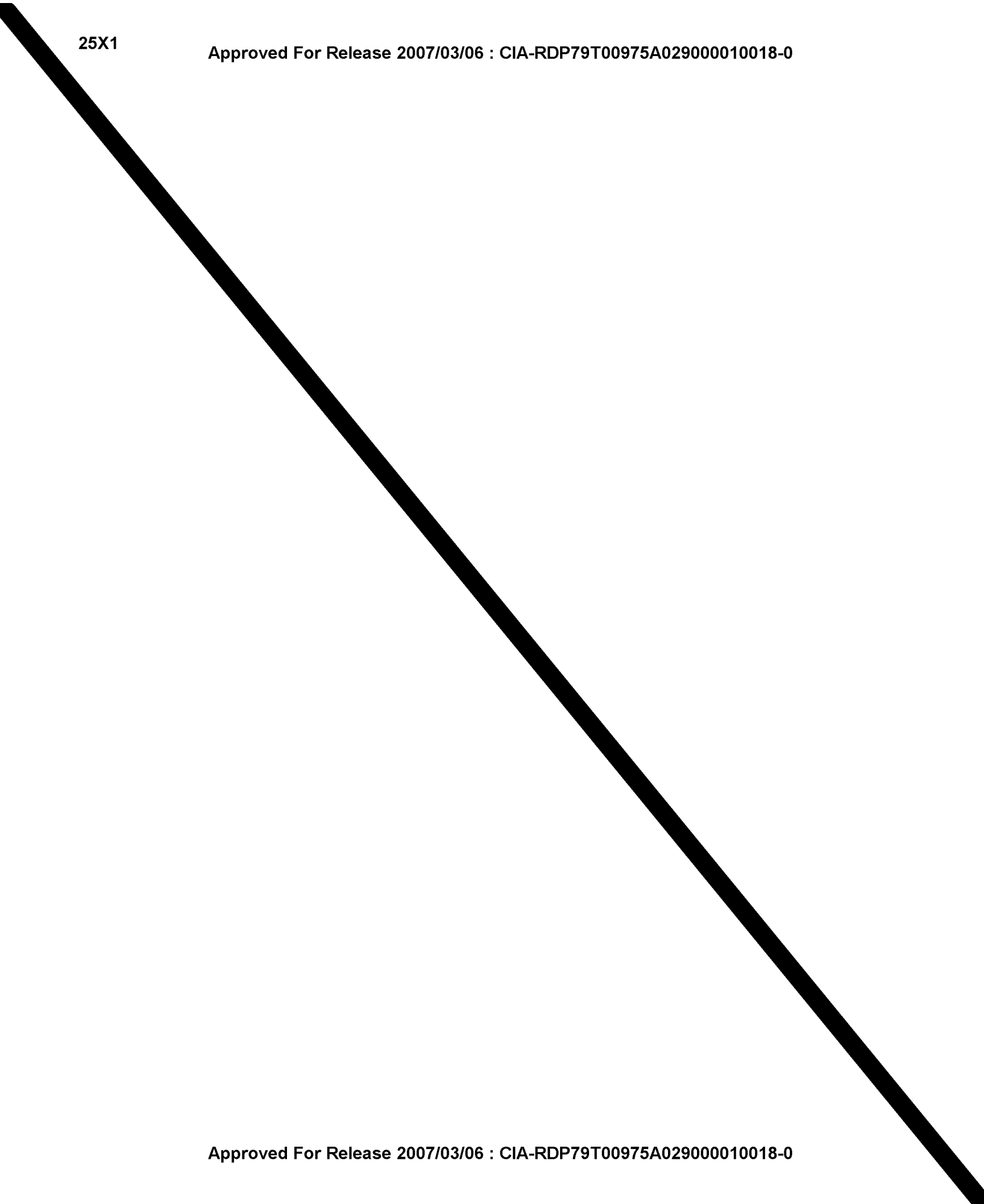

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National Intelligence Daily Cable for Thursday, June 10, 1976.

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25X1 The NID Cable is for the purpose of informing senior US officials.

LEBANON

25X1 Syria has agreed to permit Algerian and Libyan troops to "assist" in peace-keeping efforts in Lebanon, according to a Syrian government spokesman--but Damascus seems determined not to bow to Arab pressures for a dilution of its military role there.

25X1 Syrian Foreign Minister Khaddam finally arrived in Cairo yesterday for the Arab League meeting, and apparently was able to qualify further the League's resolution on a joint Arab peace-keeping force for Lebanon. According to the new ground rules, "all parties" involved in the dispute must agree on the size of the force.

25X1 Damascus' statement yesterday that it will accept Algerian and Libyan forces suggests that the Syrians intend to use their veto to block the League's earlier plan for a broad force composed of troops from Saudi Arabia, Sudan, the Palestine Liberation Organization, in addition to Libya, Algeria, and Syria.

25X1 Khaddam apparently was also able to persuade his colleagues to include in the resolution a statement that the PLO must adhere to previous agreements with the Lebanese government that regulate Palestinian freedoms. These agreements prohibit the Palestinians from bearing arms outside the refugee camps and limit the size and type of weapons inside the camps.

25X1 Although the Syrians almost certainly recognize that the agreements cannot be fully implemented, reference to them in the resolution is a direct slap at the PLO and would seem to rule out Palestinian participation in any peace-keeping arrangements.

25X1 It is not clear, in fact, that Syria intends to permit even the Algerian and Libyan contingents to enter Lebanon. The troops, according to Syria's announcement, are to arrive in Damascus where the Syrians can control their movements and their armament.

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Syria's Own Ends

25X1 [redacted] Even while making its gesture toward pan-Arab participation in the Lebanon peace-keeping effort, Syria has made it clear that it will use this participation for its own ends. A Syrian spokesman yesterday announced bluntly that Damascus welcomes any Arab help to "save the Palestinian revolution from the plot" that Fatah has been conducting against it.

25X1 [redacted] Syria's agreement to share its role in Lebanon at least nominally appears to be a carefully calculated effort to minimize interference without totally alienating other Arab states that are increasingly uneasy about Syria's growing role.

25X1 [redacted] //Damascus has a particular interest in maintaining the good will of Algeria and Libya. Libya has undertaken its mediation with a view toward ultimately enlisting Syria in a bloc of radical Arab states; the Syrians are not likely to go along but are interested in the financial aid Libya is offering as an inducement.// 25X1

[redacted]

Iraq's Stand

25X1 [redacted] Iraq, which was pointedly omitted from even the Arab League's list of potential participants for a pan-Arab force for Lebanon, is frustrated by having its impotence exposed by Syria's military operations there. In an attempt to regain some prestige, President Bakr yesterday staged a farewell ceremony for Iraqi units that were "to take their positions on the Arab front."

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25X1 This cryptic reference is probably an expression of Iraq's hope that its forces will be permitted to take part in a peace-keeping force in Lebanon. It is probably also intended to intimidate Syria. 25X1

25X1 Syria is not likely to agree readily either to the stationing of Iraqi troops in Syria or to their transit across Syria to Lebanon, and Iraq no doubt recognizes this. The Iraqis probably wish, however, to be in a position to take advantage of any move against Syrian President Asad. They are well aware of unrest in Syria and probably hope to encourage it by stationing their troops on the border.

Military Action

25X1 Khaddam's participation in tailoring the Arab League resolution yesterday suggests that Syria has tacitly--at least--endorsed the earlier resolution's call for a cease-fire in Lebanon.

25X1 We see no indications that Syrian or Syrian-controlled fedayeen forces have called off their military operations in either southern or central Lebanon.

25X1 //The Syrians have established a large new command post just inside the Syrian border opposite Al Masna, presumably to control their military operations in Lebanon. The US defense attache in Damascus believes that nearly all of Syria's 3rd Armored Division has now been committed to Lebanon.//

25X1 Fighting was heavy yesterday near the southern port city of Sidon, which has long been a stronghold of radical Palestinian and Lebanese leftist groups. 25X1 25X1

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25X1 Some Syrian forces may have bypassed Sidon north to Khaldah. Syrian and Saiqa troops have been battling independent fedayeen and Lebanese leftist groups there for control of roads into Beirut and the nearby international airport. 25X1

25X1

25X1 Fighting has diminished in the Tripoli area, in the predominantly Christian areas north of Zahlah, and in the Bekaa Valley. Syrian forces reportedly are gradually establishing control of these areas. In the east they are disarming and in some cases arresting remnants of fedayeen and Lebanese Arab Army units that had been resisting Syrian occupation.

Palestinian Setbacks

25X1 A group of officers representing both brigades of the Liberation Army normally under Syrian control yesterday broadcast a statement declaring their allegiance to Arafat. They condemned Syria's attacks on Palestinians in Lebanon and appealed to all Liberation Army units to support Palestinian and Lebanese leftist forces.

25X1 Pressed by Syria's military initiatives and an unprecedented barrage of anti-Fatah propaganda from Damascus, Palestinian leaders are showing signs of the same defensiveness and hysteria that they exhibited during the 1970 and 1971 clashes between the fedayeen and the Jordanian army.

25X1 Fatah leaders almost certainly are now concerned that Damascus may attempt to follow through with its increasingly frequent threats to remove Arafat as head of the Palestine Liberation Organization. 25X1

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USSR-SYRIA-LEBANON

25X1 //The Soviets are publicly and privately voicing their dissatisfaction with Syrian actions in Lebanon, but have shown no sign that they intend to use their substantial leverage to rein in Damascus.//

25X1 Soviet displeasure is evident in yesterday's Tass statement, the central concern of which is Syria, although it also warns both the US and France against military intervention in Lebanon.

25X1 The statement calls on all states to refrain from interference in Lebanon. It questions Syrian intentions, saying that while Damascus has "time and again" claimed only to be seeking to stop the bloodshed, the fighting has intensified and is jeopardizing Palestinian interests.

25X1 //The senior Soviet military attache in Damascus was far more blunt in criticizing Syria during a conversation with his US counterpart on Tuesday. The Soviet said his embassy was "quite confused and unhappy" over the commitment of major Syrian units in Lebanon, viewing their apparent intention as the destruction of the Palestinian-leftist coalition.//

25X1 //In an unusual display of Soviet bitterness toward Damascus, the attache said the entry of main-line Syrian forces into Lebanon last week was designed to embarrass Premier Kosygin. The attache said that Damascus had not taken Moscow into its confidence and that no Soviet advisers were with the Syrian troops.//

25X1 //The Soviet attache called the Syrian actions dangerous and said that they carry a considerable risk of failure.//

25X1 //These public and private Soviet comments acknowledge that Kosygin's visit failed to resolve the Syrian-Palestinian rift. They do not, however, contain any indication that Moscow is considering direct pressure on Damascus. Palestinian and leftist Lebanese leaders have been urging the Soviets to curtail the flow of Soviet arms and munitions into Syria.//

25X1 Although the Tass statement seemed aimed at cautioning Syria, it did not contain threats. Its only prescription was for

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all sides to stop fighting immediately, suggesting that Moscow still hopes to find a way out of the Lebanese problem that does not disrupt its ties with either the Palestinians or Syrians.

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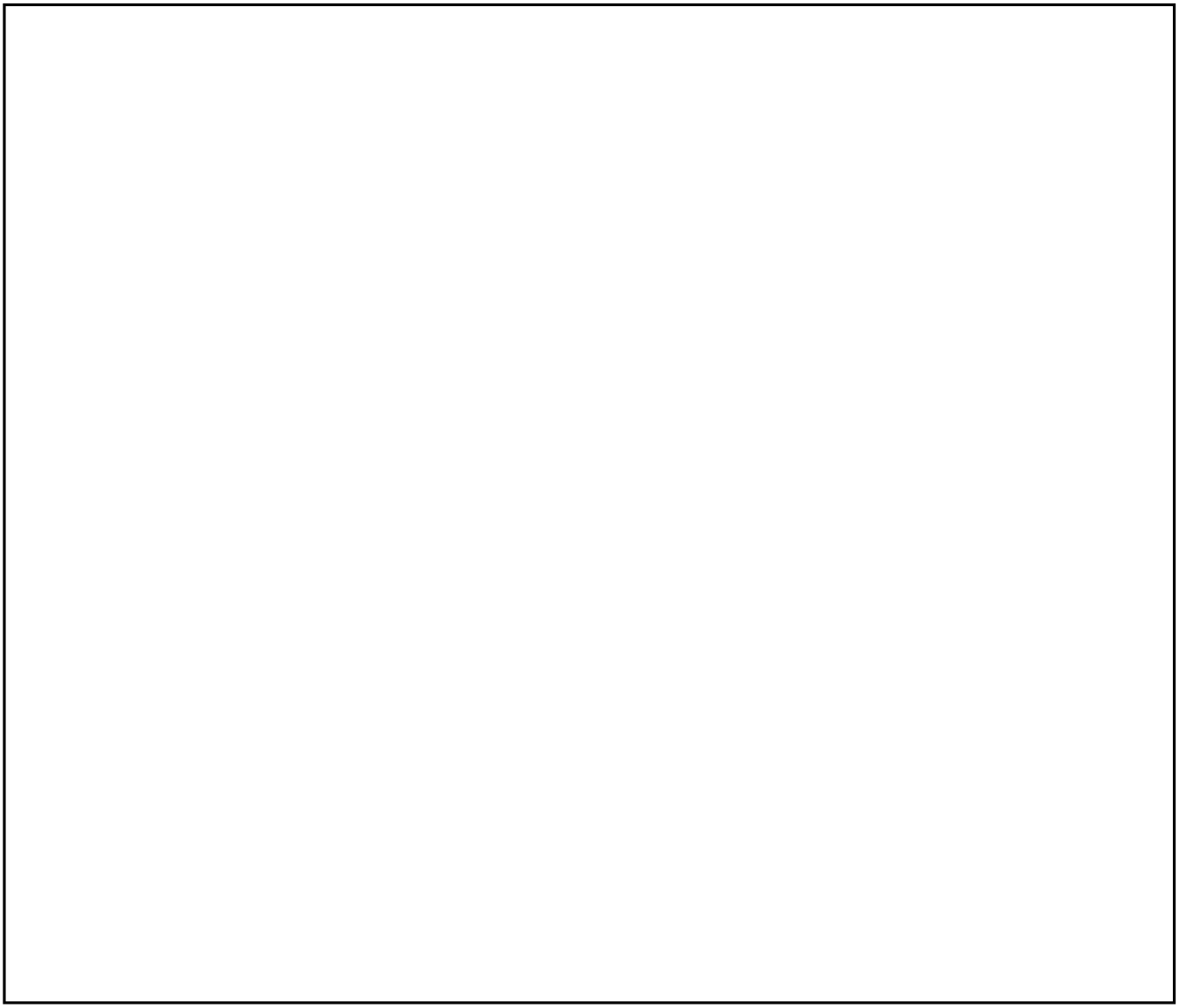

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JAPAN

25X1 [redacted] Japanese government officials are cautioning the US against accelerating the pace of Sino-US normalization.

25X1 [redacted] Foreign Minister Miyazawa told Secretary Richardson in late May that, from Tokyo's point of view, the present Sino-US relationship is "very good," and he expressed the hope that Washington would not attempt to alter this relationship.

25X1 [redacted] Miyazawa argued that the establishment of full US diplomatic relations with China would not yield anything of "material value" and that the US and China can maintain the status quo indefinitely. He claimed the Chinese are satisfied with this arrangement.

25X1 [redacted] Miyazawa may have been prompted to express this concern by widespread Japanese press coverage of recent speculation in the US that Washington might rapidly normalize relations with China after the November election.

25X1 [redacted] In Tokyo's view, a sudden break in US relations with the Chinese Nationalists might jeopardize Taiwan's political stability, threatening Japan's profitable trade and investment links with the island and complicating its relations with Peking. The Japanese, moreover, probably believe that rapid normalization of US ties with China would afford Peking greater leverage in negotiating a peace and friendship treaty with Tokyo, the last outstanding issue in the Sino-Japanese normalization process.

25X1 [redacted] 25X1

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USSR-PHILIPPINES

25X1 [redacted] The USSR and the Philippines were able to agree on even less during President Marcos' first state visit to the USSR than they initially anticipated, judging by the "joint statement" issued at the end of the visit.

25X1 [redacted] Marcos agreed to endorse only a few of the most innocuous Soviet foreign policy positions common in such documents, and even these endorsements were considerably toned down from what the Soviets had wanted. The focus of the document is almost entirely on bilateral relations and Asia. 25X1

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both sides probably regard the visit as a success. Diplomatic relations were established, and a trade agreement was signed. Marcos told US Ambassador Stoessel he was pleased with Soviet hospitality.

25X1 [redacted] The Soviets also tried to make a favorable impression on Mrs. Marcos, who is widely believed eager to succeed her husband. They consistently gave her prominent coverage, always referring to her by her official titles as mayor of greater Manila and head of the Soviet-Philippine Friendship Society. 25X1

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FRANCE

25X1 //The French aircraft carrier Foch left the Atlantic yesterday for its new home port at Toulon in the Mediterranean. Earlier this week, the helicopter carrier Jeanne d'Arc began the opposite transit from Toulon to its home port at Brest, and the aircraft carrier Clemenceau returned to Toulon following a visit to Egypt.//

25X1 //The Jeanne d'Arc was ordered to join the Mediterranean fleet in late April while en route to Brest after a long tour of duty in the Indian Ocean. The change apparently was a precautionary move because of the continuing tensions in the eastern Mediterranean.//

25X1 //The transfer of the Foch has been scheduled since January 1975 for sometime this year; the ship's presence in the Mediterranean now will greatly strengthen France's air attack capability in the area.//

25X1 //The transfer of both aircraft carriers to the Mediterranean is part of a major reorganization of the French navy. France has been increasing its naval presence in the Mediterranean to underscore its continuing political and economic interests there.//

25X1 //In addition to the carriers, France is expected to add a guided-missile cruiser and two frigates to its Mediterranean fleet later his year. 25X1

SPAIN

25X1 The momentum behind the Spanish reform program was slowed yesterday when the government withdrew from parliamentary consideration its bill to revise the penal code and returned it to committee for further study. The action was taken after news of the murder of the mayor of a Basque town so angered the parliament that there was doubt that the bill would pass.

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25X1 This development occurred just after the parliament had approved by a large majority the government's important bill to legalize political parties, which were outlawed under Franco to give a monopoly to his National Movement.

25X1 The strong opposition of the rightists to the latter bill--which forced debate on the bill into a second day--suggests that they will dig in their heels against creation of a bicameral legislature, establishment of a free trade union organization, and enactment of a new electoral law. The government is confident, however, that it has the votes to pass the remainder of its program.

25X1 The government's hand was strengthened by public approval of King Juan Carlos' statements supporting liberalization during his US visit last week. In addition, the government has received the support of an important reformist, regime-oriented Christian Democratic group that previously had been highly critical of the reform program.

25X1 The opposition parties are still disgruntled because the new law does not legalize the Communist Party, and are leaving open the question of their participation in the referendum planned for October and the subsequent elections. They would prefer to have the Communists compete openly in order to reveal the party's narrow base of support and to reduce the possibility of the leftist parties' being infiltrated by the Communists.

25X1 The government is adamant in refusing to legalize the Communist Party, and there is strong opposition within the military to such a move. Interior Minister Fraga has said, however, that once a democratic system is well established, legalization of the party could be reconsidered.

25X1 The government is completing work on the proposals it will submit to the parliament to revamp the corporate labor organization established by the late Francisco Franco.

25X1 The minister of the government-controlled labor organization said in a telecast this week that the government has drafted a law permitting both management and workers--now locked together in the official Syndical Organization--to organize separate unions, each enjoying full autonomy. 25X1

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UK

25X1 //An attempt by the Conservative Party to topple British Prime Minister Callaghan's government on a vote of confidence was defeated yesterday by a vote of 309 to 290.//

25X1 //The censure motion was ill-timed. The good economic and political news earlier this week strengthened the pound's position on foreign exchange markets. Conservative backbenchers were reportedly opposed to forcing a confidence vote at this time, but were overruled by party leaders, who probably felt committed to following through on their attack despite sterling's recovery//

25X1 //The Conservatives still scored a few points against the Labor Party's economic policies. The government is vulnerable on such issues as excessive spending and borrowing, which are the basic reasons for the pound's decline. 25X1

25X1

UN

25X1 A UN conference to establish an international fund for agricultural development to finance projects in developing countries opens in Rome today. A number of events during the past month threaten the fund's establishment and, at a minimum, may force a renegotiation of some of the fund's basic provisions.

25X1 There are two major stumbling blocks, primarily political, that may delay establishment of the fund and prevent it from securing the $1 billion to be contributed equally by the developed states and OPEC members. Last month OPEC announced that it would not agree to an equal split between the two groups and announced a pledge of $400 million rather than $500 million.

25X1 Continued OPEC unwillingness to increase its pledge--as seems likely--may lead to a reduction in the contributions of some developed countries as well. If the fund is to survive in any form, the initial capitalization target may have to be considerably reduced, although this alone would not eliminate the problem of apportioning the contributions of OPEC and the developed countries.

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CYPRUS

25X1 The decision of the Cyprus government to advance to September 5 the date for parliamentary elections will benefit President Makarios' leftist and centrist supporters. They are better organized than are the supporters of Makarios' main rival, House of Representatives President Glafkos Clerides.

25X1

25X1 The shortening of the pre-election period by four weeks, coupled with a successful purge of Clerides from the House leadership, would cause further confusion among Clerides' supporters in the center and right and might even prompt him once again to consider quitting politics. 25X1

25X1

FINLAND

25X1 Factional squabbling among Finland's Communists dominated the recent congress of the party's electoral front organization, the Finnish People's Democratic League. The moderate, relatively liberal faction of the front strengthened its control by winning 16 of the 20 seats on the executive council. Delegate support for the hard-liners dropped to less than 20 percent, down several percentage points from three years ago.

25X1 The gains made by the liberals should strengthen their hand in dealing with the hard-liners, who oppose continued Communist participation in the center-left coalition government. The fate of the coalition hung in the balance last December when the hard-liners opposed communist participation in the government and again last month when they wanted to withdraw from the government over the issue of raising the sales tax.

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25X1 [redacted] The league endorsed President Kekkonen as its candidate in the 1978 presidential election. Kekkonen also has the endorsement of the Conservative, Liberal, and Social Democratic parties. He has agreed to be the candidate of his own Center Party, and the Swedish People's Party is expected to endorse the 76-year-old leader later this month. [redacted] 25X1

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